Press Release

Jindal Stainless (Hisar) Limited reports Q3 PAT at Rs 60 crore

Q3FY20 key highlights

Standalone (in Rs crore)

Particulars	Q3FY20	Q3FY19	% Change
Net Revenue	**2,191**	**2,233**	**(2)%**
EBITDA	**210**	**201**	**4%**
PAT	**60**	**55**	**10%**

New Delhi, February 14, 2020: Jindal Stainless (Hisar) Limited (JSHL) today reported its third quarter performance for FY20. Company's Profit After Tax (PAT) stood at Rs 60 crore in Q3FY20 as compared to Rs 55 crore in the corresponding period last year (CPLY), registering an increase of 10%. JSHL clocked net revenue of Rs 2,191 crore during Q3FY20. The Company was able to maintain its EBITDA at Rs 210 crore through a strong product mix, coupled with focus on value-added grades and internal process optimisation. Sales volume was recorded at 156,293 tonnes in this quarter. JSHL's Specialty Products Division (SPD) that manufactures precision strips and coin blanks, also saw a healthy growth of 6% in sales volume during Q3FY20 over the CPLY.

Commenting on the Company's quarterly financial performance, **Managing Director, JSHL, Mr Abhyuday Jindal**, said, "***JSHL's performance has been consistent despite lower economic activity in certain segments. As the industry continues to face the deluge of imports, margins still remain under pressure. Going ahead, we will enhance our overseas market footprint as we are exploring opportunities to expand customer base in new geographies along with development of a few new grades***."

On a nine-month basis (9MFY20), JSHL's PAT stood at Rs 227 crore, a growth of 16% over 9MFY19's Rs 196 crore, primarily on account of reduction in interest cost from Rs 261 crore to Rs 235 crore. Company's EBITDA and net revenue during 9MFY20 were respectively recorded at Rs 688 crore and Rs 6,309 crore.

A steep surge in imports during April-December, 2019 impacted the overall revenue while exerting pressure on prices. Further, imports from FTA countries remain a major concern for the industry. Total stainless steel imports from FTA countries during April-December, 2019 stood at 419,668 tonnes as compared to 199,572 tonnes in the CPLY, witnessing a sharp growth of ~110%. This glut of imports has led to distortion in stainless steel market prices. Inverted duty structure continues to hurt the industry equally, where imports of raw materials from FTA countries are being taxed at 2.5% while finished goods are being imported without any duty. Moreover, continued volatility in raw material prices, against a muted global economic market, continues to pull down the industry sentiment.

In a move to efficiently serve and grow the customer base in north India, a new yard in Hisar has been made operational. Key sectors like railway, metro, and hollowware continued to drive demand and volumes for the Company in Q3FY20. With the government's enhanced focus and plans to invest in the infrastructure segment, as announced in the union budget, it is estimated that demand for stainless steel will grow by 8-10% annually.